

VZCZCXRO5264
RR RUEHTRO
DE RUEHAS #0360 0861607
ZNR UUUUU ZZH
R 261607Z MAR 08
FM AMEMBASSY ALGIERS
TO RUEHC/SECSTATE WASHDC 5546
INFO RUEHEG/AMEMBASSY CAIRO 1020
RUEHFR/AMEMBASSY PARIS 2639
RUEHMD/AMEMBASSY MADRID 8878
RUEHRB/AMEMBASSY RABAT 2262
RUEHTRO/AMEMBASSY TRIPOLI
RUEHTU/AMEMBASSY TUNIS 7114
RUEHNC/AMEMBASSY NOUAKCHOTT 6308
RUEHNM/AMEMBASSY NIAMEY 1542
RUEHBP/AMEMBASSY BAMAKO 0491
RUEHCL/AMCONSUL CASABLANCA 3339
RHMFISS/HQ USEUCOM VAIHINGEN GE
RUCPDOG/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS ALGIERS 000360

SIPDIS

SIPDIS

STATE PASS TO EEB/IFD/OMA ASNOW AND RFIGUEROA, AND TO
NEA/RA JPALLARES AND JSCOVITCH

E.O. 12958: N/A

TAGS: [EAID](#) [ECON](#) [PREL](#) [AG](#)

SUBJECT: ALGERIA'S FISCAL TRANSPARENCY

REF: STATE 16737

1. In response to reftel, Post submits the following:

2. Algeria has made progress since 2003 regarding fiscal transparency. Budget plans are unveiled each autumn for the following calendar year, and the Finance Law is officially published in the journal of record on December 31. A report of the Finance Law, including policy narratives and year-to-year comparisons, is available on the Ministry of Finance Website, as is other fiscal data. In addition to the annual Finance Law, Algeria frequently publishes a Complementary Finance Law in July to supplement the budget.

3. Revenue and expenditure figures are made available publicly through these publications, and are probably fairly accurate. Separate budgets are released for salaries and for public benefit pay-outs (such as veterans' pensions) at each agency (Budget de Fonctionnement), and for broad categories of capital investments and equipment costs (Budget d'Equipement). Revenues are reflected in terms of "ordinary" categories, such as taxes, customs and royalties, and in the broad, larger category of petroleum receipts. Petroleum receipts are still largely diverted to the Stabilization Fund (FRR), which makes accounting for these revenues more complex.

4. The USG continues to conduct cooperative programs with the central government of Algeria on a number of economic development, good governance and fiscal policy fronts. The Department of Treasury currently has two resident advisors in Algeria. The first works on an intermittent basis at the office of the national Treasurer within the Ministry of Finance and focuses on public debt management. The other is seconded on a full-time basis to the Central Bank advising the Algerians on bank supervision. A team of USG tax experts is expected to begin work in the second quarter of 2008 to advise the Algerian tax administration as it implements key reforms to enhance internal controls, improve tax collection and simplify the tax system. We also manage other programs in the area of credit risk assessment and management, anti-money laundering, and countering terrorist financing implemented both by USG employees and NGOs using USG funds.

5. The Algerians do cooperate with other donor nations on

fiscal policy programs, and the IMF Article IV report for Algeria issued on February 11, 2008 indicated that the Algerians fully cooperated in the report's assessment visit and that "Algeria's statistical base is broadly adequate for surveillance." A number of IMF products regarding fiscal analyses of Algeria's economy are available on the IMF Website.

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